

# Digital Signage: New Media Looking For New Measurements

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The marketplace for advertising-supported media is unique because, unlike other markets, media companies do not directly sell what they produce. They essentially give their product—content—free of cost to the audience, in return for their attention. They then sell this “audience product” to the advertisers.



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What makes the marketplace even more distinctive is the fact that human attention resists exact verification and quantification that typify the commodities of most other markets. The types of measurements and methods used to estimate attention have a profound impact on the marketplace because, at the end of the day, these measurements form the basis for all transactions. Stakeholders must also have faith in the metrics to be able to make their decision confidently. These factors make audience measurement a very challenging, but essential, task for the growth of the industry.

Digital signage, as a new member of this market, must still prove its value to the advertisers before it can gain the same importance as television or the Internet. This industry is even more complex because it sits in the middle of different types of media. It has traits of both television and the Internet. Its role in the advertising landscape is ill-defined, because it is well suited for both marketing and merchandising messages.

Operationally, digital signage networks are merely a set of screens where content is pushed from a central location, which makes them look a lot like a television network. However, unlike television, the audiences engage for much shorter periods. Content creation and management for digital signage networks is similar to that for the Internet. For Internet, content has to be customized to fit the spatial and graphics guidelines of the websites. Similarly, for digital signage, content has to be customized for every type of screen and location.

In many companies, marketing and merchandising divisions have been arguing which group should be responsible for handling the campaigns on digital signage networks. Some experts believe that digital signage should be part of the merchandising strategy, because it is very close to the point-of-purchase. They contend that once the consumer is in the store, marketing ends and merchandising begins. Merchandising is responsible for converting them into buyers. On the other hand, digital signage is also very well suited to convey branding and informational messages to the audience, which makes it part of the marketing strategy. In-store has become the latest battleground among consumer product companies, who are looking for innovative ways to reach customers.

There are many ways to measure advertising. Different types of media have developed different metrics and methodologies to measure them—GRP for television, circulation for print, click-through for Internet. All these metrics are based on three broad levels of the measurement funnel—reach, engagement, and motivation.

The broadest measurement is the total population that had the opportunity to see (OTS) the advertisement, or reach. The television industry measures the average number of sets that are on in a given 30-minute slot. In the Internet world, total traffic is measured by page views. The equivalent measurement for digital signage is passer-by traffic. OTS does not give any indication of what percentage of the population actually saw the content; it just gives an estimate of who was in the vicinity of the media. OTS is clearly a measurement of the

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last century. Advertisers are demanding a more accurate measurement of how many people actually engage with the media.

The latest trend in media measurement is towards engagement. A lot of debate centers around the meaning for "engagement," and methodology to measure it. Most experts attempt to measure attention as a

proxy of engagement. It is not possible to determine when people are actually watching television in their homes and when they are channel surfing. Advertisers are therefore demanding measurement at the commercial level. This ensures that they know which program was being watched at a more precise level. Most online advertising is measured using click-through. In fact, the Internet was accepted as a proven advertising medium after the adoption of click-through as the standard metric. Similarly, for the digital signage marketplace, measurement of engagement is extremely important. Different types of networks connect with the audience in different ways. The context in which the network is placed determines how the audience interacts with it and what kind of content will engage them. Advertisers do not understand how best to capitalize on these interactions. A better understanding of this media will increase the confidence of advertisers and help them allocate more money.

The bottom of the measurement funnel is motivation of the customers. The goal advertisers are trying to achieve through advertising is either increase in sales or brand equity. These are the decisive measurements of interest to advertisers. However, it is very difficult to separate the impact of individual marketing campaigns. Sale is the result of a number of different activities that a manufacturer undertakes to increase the appeal of the product, and advertising is a small part of the whole process. Therefore, measuring an advertising medium based solely on sales uplift does not measure the actual contribution it makes. Managing marketing campaigns based on sales metrics is just like driving a car and using the rearview mirror, because sales can be measured only after the fact.

Measurement is currently scarce in this medium because it has unique challenges that cannot be solved by conventional measurement methodologies. Measuring only what was played on the screens is not enough, because it does

not give any indication of who was in front of the screen when the ad was played. Measurements such as average door traffic provide a better estimate of how many people were in the vicinity, but do not give any indication of how the audiences engaged with the media and whether they absorbed the message.

The only way to understand digital signage is to observe and quantify audience behavior around the signage. A store has a number of marketing and merchandising fixtures inside, and all of them compete for the customers' attention. Marketers need tools to model customer behavior and create synergy among these fixtures in order to execute successful in-store marketing campaigns. Traditionally, such information was gathered through onsite observation, video ethnography, and surveys. All these methods are very expensive, slow and subjective. Poor sample selection has plagued the findings of these methodologies. The emerging field of video mining, also called video analytics, promises a solution to the problems of the digital signage industry.

Automated measurement of shopper behavior makes it possible for the networks to scientifically analyze audience behavior and explore their preferences. The biggest advantage of using video analytics to measure audience behavior is that it is non-intrusive and objective. The technology has also made it possible to develop a scalable measurement methodology that can become the currency for media transactions.

Many large companies have marked this field as a high growth market. VideoMining™ focuses exclusively on this market and provides in-store marketing information

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services to retailers, advertisers and other digital signage stakeholders. It offers a suite of services through its Audience Measurement Platform™ (AMPTM), which is the only direct solution in the market today. The unique technology behind AMP automatically measures variables such as overall location traffic, area-based traffic, actual eyes on screen, interaction with fixtures and products, and actual audience demographics. These data points form the basis for reliable, standardized metrics for digital media networks. The objective research also helps improve the effectiveness of the networks by creating better physical layouts and improving content targeting.

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